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8 November 1948

Director of Central Intelligence

Assistant Director for Operations

Director's Conference with Malcolm A. Frost, Head of Monitoring Service,
British Broadcasting Corporation, 1430, 8 November 1948

REFS. : a. Copy of Record of Meeting of the BBC Monitoring Service and FBIS
held on 20 May 1948 at Caversham Park, Reading, England (Tab A)

b. Agreed Category and Priority Commitments (Tab B)

1. While it is not anticipated that, during subject conference, Mr. Frost will initiate detailed discussion of the FBIS-BBC Reciprocal Agreement and its implementation, it is believed that the Director should be aware of the following salient points which have developed during the implementation of this agreement.

a. The major accomplishment to date is the agreement between FBIS and BBC on what transmitters each organization will monitor and placing each transmitter into an agreed category and priority. The agreement also includes tentative proposals for these categories and priorities to be effective when FBIS stations now under construction are in operation. (See Tab B).

b. Briefly and generally the above agreement provides that:

(1) FBIS Cyprus will be responsible for coverage of USSR regional transmitters within its range, of the Near and Middle East and of European transmitters as far west and north as Yugoslavia and Rumania, inclusively. Particular emphasis will be placed upon the development of USSR regional coverage.

(2) BBC assumes responsibility for USSR Home Service and all European coverage not included in a above.

(3) FBIS continental and eastern Bureaus will be responsible for Latin America and the Far East, including USSR Siberian regionals.

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g. Despite this allocation of effort there remains a considerable amount of duplication due primarily to the unreliability and lack of faster communication service. This duplication cannot be satisfactorily eliminated or greatly reduced unless or until the two Services have a network of fast, reliable and unrestricted communications. It is believed that the possibility of establishing such a network with transmitters located at Cyprus, London, Washington and possibly Okinawa should be fully explored.

d. Since both Services distribute a large percentage of our end product to the press or, in the case of BBC, actually use it for news broadcasts the legal ramifications of the possibility of claims against the joint Services for infringement of copyright, unfair competition, defamation, libel, etc., are extensive. This matter is being explored by the Legal Counsel.

e. The Cyprus station when completed will have cost almost \$500,000, perhaps three times as much as was originally estimated. Annual cost of operation is estimated to be approximately \$335,000. It will also be a much finer station in every respect and have a far greater range and capacity than our Cairo station from which we are now receiving approximately 8,000 words daily. For these reasons it is believed we will want to get about 20,000 words daily from Cyprus instead of the 10,000 for which BBC has agreed to pay the transmission cost to London.

f. BBC has requested that transmission in clear text over radio channels of USSR economic data, particularly from the regional services, be avoided. FBIE consumers in the IAC agencies are in general agreement that this is advisable provided the delay in receipt is not too great. The only immediate way to do this is air mail which would delay receipt of this material in Washington from 10 to 30 days. Transmission by telegraphic means cannot immediately be arranged due to the exorbitant cost of encoding and decoding, lack of proper equipment on hand, and due to the different types of equipment used by the two Services as well as the two governments. We expect to agree to this proposal provided telegraphic means of communication can be arranged. If not, we expect to agree to transmission via air mail on an experimental basis until the delay in receipt can be more accurately determined.

2. The Director should also know that while BBC is not expected to start paying transmission costs from the Mediterranean Bureau to London until the Cyprus station opens, FBIE is already furnishing BBC the following new service:

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- a. The Latin American Daily Report via air mail.
- b. The Far East Daily Report via air mail.
- c. Five thousand words daily via teletype of selected Far Eastern intercepts. This will be gradually increased to 20,000.
- d. The FBIB Weekly Survey of USSR Broadcasts.

3. Mr. Frost has spent approximately two weeks at the FBIB Washington Office and has visited the West Coast Bureau at Menlo Park, California. As a result it is believed that his former impression that FBIB was comparable to our sub-standard Cairo copy has been corrected, and that he has a keen interest in and respect for our operation.

4. It would be of assistance in present and future negotiations if the Director could mention, if not emphasize, his personal interest in the following points:

a. Communications -- the establishment of fast, reliable and unrestricted communications.

b. Increase of Cyprus File -- from the agreed 10,000 words daily to 20,000 daily -- at BBC expense. Ten thousand words cost BBC approximately 15,000 pounds sterling per year. It should be remembered that this is merely a book transaction within the British Government and does not cost any dollars.

c. Expeditions Receipt of USSR Economic Data not transmitted in Clear Text -- we do not believe air mail will be very satisfactory. Telegraphic means must eventually be worked out. It should be noted that since most of this material will come from Cyprus and London the delay in receipt by BBC will be negligible while delay in receipt by FBIB will be considerable.

5. Since all of these discussions and negotiations involve money, it is also considered advisable that the Director indicate that it is expected that FBIB may have to operate on a reduced budget during fiscal year 1950, and that we do not just have plenty of dollars to throw about at will.

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GEORGE G. CAREY

OO/FB:LKH:hmg
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